UNITED STATES
PATENT AND
TRADEMARK OFFICE

Systems Development and Integration (SDI) RFI Briefing

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February 11, 2004

Agenda

- Goals of Meeting
- SDI Acquisition Strategy
- Acquisition Schedule
- PTAG Highlights
- Overview of the Requirement
  - Current Sourcing Model
  - Current Environment
  - SDM Contracts
  - IT Goals
- What USPTO is Seeking with RFI
- Wrap up

Goals of the Briefing

- Improve industry understanding of the USPTO's technical requirements and our acquisition guidelines which will enhance our ability to obtain quality services and products
- Provide a forum for small businesses to identify areas where they might participate and potential teaming partners
- Seek out feedback and solutions on technical as well as contractual aspects

Acquisition Strategy

- Seek Industry Input
- Strategies Considered –
  - Multiple Award
  - Award Term Incentives
  - Long Term Contract (5 or 7 or longer – Pros & Cons)
  - Firm Fixed Priced Tasks When Possible
  - Incentives to Ensure Close Alignment with Strategic Plan
  - Socio-economic Considerations
  - Flexible Performance-Based Solutions
- Use PTAG Flexibilities as Appropriate
- Transition Plans for SDM

Acquisition Schedule

- RFI responses due March 1, 2004
- FedBizOpps RFP announcement - June 2004
- Release RFP - July 2004
- Pre-Bidders Conference – July 2004
- Submit Technical Capability Statements w/proposed metrics for down select – July 2004
- Notify offerors and call for cost proposals
- Award contract – November 2004

System Development and Maintenance Services (SDM) Contracts

- Current Vendors – Computer Sciences Corporation (CSC) and Lockheed Martin (LHM)
- Contracts are dual award, cost-plus-award fee
- Requirements are task based with performance incentives
- Invoice totals for the contracts are separated between labor, hardware and software per year as shown below

Invoice Year	Expended Labor	Expended CLIN 3 H/W	Expended CLIN 4 S/W	Total Expended
FY97	$609,589	$0	$0	$609,589
FY98	$21,661,138	$6,303	$245,666	$21,913,107
FY99	$43,184,931	$71,966	$1,675,426	$44,932,323
FY00	$33,331,026	$584	$1,629,697	$34,961,308
FY01	$37,611,676	$14,743	$77,244	$37,703,662
FY02	$48,960,436	$2,896	$294,285	$49,257,616
FY03	$49,292,608	$0	$2,237	$49,294,846
TOTAL	**$234,651,405**	**$96,492**	**$3,924,556**	**$238,672,453**

PTAG Highlights

- USPTO is a performance based organization with additional procurement flexibility
- Concept of “maximum reasonable competition and fairness” replaces “full and open competition”
- Alternative streamlined contracting approaches are permitted, e.g. down select on technical, negotiate only with highest rated and limit competitive range

Questions & Answers

- Is this RFI response going to be used as a down select?
  - No, responses to the RFI are not going to be used for a down select. Under PTAG rules we would clearly state if that was the case.
- Will USPTO post the names and POCs for attendees to both sessions?
  - Yes
- Will USPTO release information submitted under the RFI to the public?
  - No, we won't release any information or ideas submitted as attributable to a specific company. We may chose to incorporate suggestions/ideas into USPTO's acquisition plan or eventual RFP.

Overview of the Requirement

February 11, 2004

Lawrence Cogut, Director

Office of Acquisition Management

Overview of the Requirement

- Current Environment
- Current Sourcing Model
- Current SDM Workload

Current Environment

- 21st Century Strategic Plan
- SITP (OCIO's Strategic Information Technology Plan)
- LCM (Life Cycle Management)

Current Environment

- 21st Century Strategic Plan
  - A five-year plan with three principal goals
    - Agility Goal: Address the 21st century economy by becoming a more agile organization. Main measure: Increase in patent and trademark applications filed electronically
    - Capability Goal: Enhance quality through workforce and process improvements. Main measure: Reduce error rate in the prosecution of patents and trademarks
    - Productivity Goal: Accelerate processing times through focused examination. Main measure: Reduce patent and trademark pendency, the duration of time to resolve a patent or trademark application.

Current Environment

- **SITP (Strategic Information Technology Plan)**
  - E-Gov: Enable USPTO to implement electronic government in its patent and trademark businesses to reduce paper handling and enhance business processes
  - Carlyle: Support the relocation of the USPTO to the Carlyle campus in Alexandria, Virginia
  - World-Class Operations: Provide and support a world-class IT operation that meets or exceeds end-user needs
  - Enterprise Architecture: Leverage an enterprise architecture to improve IT efficiency and effectiveness
  - Continuous Improvement: Continuously improve the delivery of OCIO information products and services to meet USPTO business objectives

Current Environment

- **LCM (Life Cycle Management)**
  - OCIO has a mature process for managing the life cycle of system development projects
  - Governance: Technical Review Board
  - Standards for tools/products/processes: Software Engineering Process Group
  - Documentation: Roles, responsibilities, and processes
  - Linkages: to project plans, task orders, and project activity resources
  - But, the LCM is fundamentally a waterfall (product life cycle) model, not an iterative model for evolutionary component-based development

Current Sourcing Model

- Chronology
- Relationship of Services Contracts
- Enterprise Architecture
- System Engineering and Technical Assistance
- Information Technology Product Assurance
- Facilities Management/End User Support
- System Development and Maintenance
  - This acquisition will replace the current SDM contracts.

Chronology

- **PRE-1984 LITTLE TO NO OUTSOURCING**
  - Only outsourcing was for microfilming
  - Most IT work done in house
  - Outsource services to manufactures

- **1984-1986 USPTO AWARDS APS CONTRACT TO PRC**
  - 18 year contract based on a one-stop shop for developing a paperless Patent Office
  - Few formal deliverables. Scope interpreted to include all the contract services received today
  - PRC primarily tasked to scan back-file and store on optical media for search and retrieval from dual-screen workstations

- **1986 GAO and OIG issued report criticizing the USPTO and the APS contract. As a result:**
  - PRC contract is downsized
  - MITRE awarded contract for architecture and engineering services
  - MacDonald Douglas awarded contract for IV&V

Chronology (cont.)

1987-1994 EMPHASIS ON INCREASED DEMANDS OF AUTOMATION AND MORE RIGID PROCUREMENT PROCESS

- Proliferation of small business contracts (over 60 for system development, 20 for operations, 300 models of PCs, dozens of different brands of servers)

1994 ALIGN CONTRACT SUPPORT TO OCIO ORGANIZATION, SKILLS AND STANDARDS

- Office of Acquisition Management (OAM) created to consolidate skill-based contracts based on like types of work/products. OAM created a sourcing model that included the following types of consolidated contracts:
  - SDM for programming services
  - SETA for architecture and engineering
  - ITPA for product assurance services
  - FM/EUS for operation and maintenance
  - Desktop Computers for workstation support

Chronology (cont.)

1996-1998 NEW LEGISLATION AND PROCUREMENT REGULATIONS CHANGE THE CONTRACT AWARD STRATEGY

- Implements hardware standards (e.g., HP for servers, FORE ATM for networks, EMC for storage)
- Requires three quotes for hardware and procurement is based on best value
- Awards consolidated contracts

1999-2000 INTERNET PURCHASING APPLICATION (IPA) ESTABLISHED

- Allows pre-approved vendors to submit on-line quotes.
- Reduces lead time for hardware and helps vendors to be more competitive

2001–2003 CHANGE IN SOURCING MODEL

- Unbundling of architecture from SETA into a separate contract
- Dual award of SETA-3 that reduced risk of a single source and allowed small business participation

Summary

PRE-1994 GRAND DESIGN AND MULTIPLE SMALLER SOURCES

- Agency's most critical application in one integrated source
- Institutionalized management processes
- Progressively weaker life cycle control
- Progressively weaker cost control and incentives
- Progressively weaker innovation

Result: PROGRESSIVELY WEAKER PERFORMANCE

- Proliferation of smaller specialized contracts
- Excessive attention to contract management
- Excessive attention to budget management

Result: PROGRESSIVELY WEAKER PERFORMANCE

Summary (cont.)

POST-1994 CONSOLIDATED MANAGEABLE SOURCES

- Grand design functions migrated to three skills-based sources with shorter terms
- Specialized contracts migrated to those three and two other sources

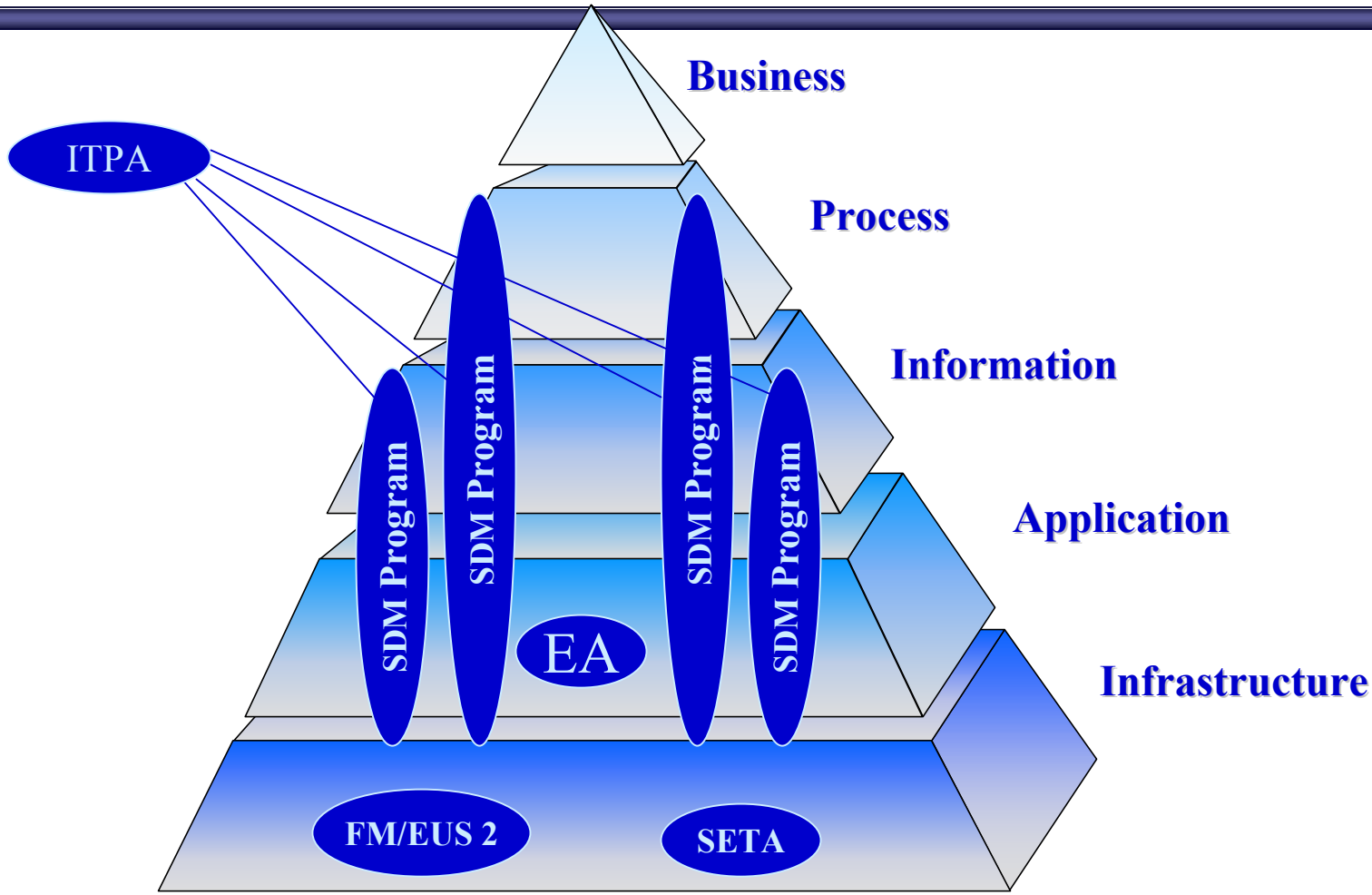
Result: IMPROVED LIFE CYCLE AND BUDGET CONTROL

Result: IMPROVED INTEGRATION OF SMALL BUSINESS SOURCES

Result: IMPROVED PERFORMANCE

Result: MORE MANAGEMENT ATTENTION TO SOURCING CONFLICTS OF INTEREST

Relationship of Services Contracts



Enterprise Architecture (EA) Contract

- Current Vendor – Thomas & Herbert, LLC
- Enterprise Architecture. Support services for developing and processing baseline architectures, target architectures, sequencing plans, and reference models.
- Original Award Date – July 22, 2002
- FY03 Expenditures - $3.5 Million

System Engineering and Technical Assistance (SETA 3) Contracts

- Current Vendors – General Dynamics and PPC
- System engineering, performance metering and modeling, testing facility operations, and IT security engineering.
- Original Award Date – September 27, 2002
- Current Expiration – September 30, 2007
- FY03 Expenditures - $10.8 Million, total of both contracts
- These are performance-based contracts

Information Technology Product Assurance Services (ITPA) Contract

- Current Vendor - Galaxy Scientific Corporation
- IT Product Assurance activities in support of the design, development and implementation of new automated systems, enhancement of existing systems, and designing and implementing changes to the infrastructure
- Independent testing and assessment, quality assurance, configuration management, and requirements management
- Original Award Date – January 01, 1999
- Current Expiration – June 30, 2003
- FY03 Expenditures - $9.7 Million
- The acquisition for the replacement contract is underway.

Facilities Management/End User Support (FM/EUS 2) Contract

- Current Vendor – Trawick
- Facility Management/End User Support. Data center operations and help desk support. Consolidated hardware maintenance for workstations, Wintel servers, group printers and miscellaneous hardware. Supplemental data base administration.
- Original Award Date – July 01, 2002
- Current Expiration – June 30, 2012
- FY03 Expenditures - $26 Million
- This is a performance-based contract

System Development and Maintenance Services (SDM) Contracts

- Current Vendors – Computer Sciences Corporation (CSC) and Lockheed Martin (LHM)
- System Development and Maintenance. Analysts, programmers, information engineers, and technical support services to develop, modify, maintain, and enhance application systems.
- Original Award Date – February 12, 1997
- Current Expiration – May 15, 2005
- FY03 Expenditures - $49.3 Million, total of both contracts
- These are performance-based contracts. Current contracts are cost-reimbursement plus award fee. In addition to the award fee, additional performance-based provisions have been added.

Current SDM Workload

- Significant current task orders – see Active SDM Task Orders as of February 2004.
- Key new technology and techniques in task orders (J2EE, portal, new LCM)
- EDAN (Electronic Desktop Application Navigator)
- EFS (Electronic Filing System)
- JARS (Job Application Rating System)
- RAM (Revenue Accounting and Management System)
- PEAI (Patent Enterprise Application Integration)

Industry Feedback

- **What USPTO Is Seeking with This RFI:**
  - **Industry's feedback on the best ways to assure a successful next generation of system development and integration contract(s) to meet evolving business needs and evolving technical support and delivery.**

Industry Feedback (cont.)

- **Specific Best Practices On:**
  - Transition strategies to the new technologies, within an EA methodology
  - Compliance of application development to an EA. How to handle exceptions
  - XML integration within a service oriented architecture.
  - Component software development life cycle process methodology, with re-use.

Industry Feedback (cont.)

- With constrained budget and other resources, how to assure high-end skills will be available while trying to attain efficiency of application design, development and maintenance processes.
- Within an applications development organization and an IV&V organization, the relative scope of product assurance, configuration management, requirements management, and testing.

Wrap Up

- **USPTO Performance and Accountability Report Fiscal Year 2003**
  http://www.uspto.gov/web/offices/com/annual/2003/index.html
- **Registration list and slides will be posted on the USPTO website at**
  http://www.uspto.gov/web/offices/ac/comp/proc/sdisupp/sdihom.htm

Wrap Up (cont)

- Questions and Answers
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